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PROPOSED NATIONAL POTATO MARKETING ORDER

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U.S. DEPARTMENT OF AGRICULTURE
Agricultural Marketing Service

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Proposed National Potato Marketing Order

The National Potato Advisory Committee has proposed a national marketing order for potatoes, as one method of stabilizing potato markets. The marketing order proposed by the Committee would cover Irish potatoes grown in all the States except Alaska and Hawaii, and provide authority for both volume and quality regulations on the marketing of these potatoes. Growers with two or more acres of potatoes would be included, and handlers—anyone who ships or otherwise handles potatoes—would be subject to regulation.

The National Potato Advisory Committee was originally called by the Secretary of Agriculture at the request of industry representatives to study potato marketing problems and recommend plans for stabilizing prices.

At the request of the Committee, the Secretary of Agriculture has scheduled a public hearing on the proposed marketing order. Sessions will be held in New York, N.Y.; Toledo, Ohio; Minneapolis, Minn.; Pocatello, Idaho; Bakersfield, Calif.; Amarillo, Texas; and Atlanta, Ga.

Although a hearing has been scheduled on the proposed program, it has not yet been approved by the Secretary of Agriculture. The Secretary must decide whether a national potato marketing order should be issued—and he must make his decision on the basis of the evidence presented at the hearing.

It is the responsibility of the potato industry to show the need for the national marketing order in testimony at the hearing, and also to support provisions of the proposal with substantial and reliable testimony. All interested parties will be given the opportunity to present evidence both for and against the proposed order at the hearing, and all evidence and testimony will be taken under oath.

Potato growers would have to approve the marketing order by a two-thirds majority in a referendum before it could be issued.

How the Proposed Order Would Be Administered

The proposed program would be administered by the National Potato Administrative Board. The Board would have 43 producer members, representing all commercial production areas. They would be nominated by the growers and appointed by the Secretary of Agriculture. There would also be three members on the Board representing processors, chippers and shippers, nominated by their respective groups.

The primary function of the Administrative Board would be to develop regulations to carry out the purposes of the marketing order, and recommend them to the Secretary of Agriculture. The Secretary makes the final decision on all marketing order actions, since he is responsible for administering the programs in the interest of growers, handlers and the general public.

The Board would be assisted by seasonal committees representing the various seasonal marketing groups, and would be advised by special committees representing such groups as chippers, processors and shippers, and by a National Potato Committee composed of members of the seasonal and special committees.

How the Proposed Order Could Work

Volume regulations are proposed. The total amount of potatoes which handlers could purchase from any or all growers could be regulated, on recommendation by the Administrative Board, during a particular season. The volume regulations could be based on a historical production period, on a percentage of the current quantities available during a marketing period, or a combination of the two.

Each producer could have a participating base, fixed on the basis of his sales in a prior representative period, or on the current quantity he had available for sale, or a combination of both.

Quality regulation are proposed. These regulations could set grade, size, quality and maturity requirements for potatoes marketed. Different regulations could be set up for different varieties, different market outlets, and different seasonal groups.

National cull regulations are also proposed. These would be part of the Administrative Board's standard marketing policy, and would be in effect at all times unless modified, suspended or terminated on the recommendation of the Board. The industry proposes one regulation for fresh market shipments, and another for potatoes going to processing outlets.

Packs might be standardized. The proposed order would give authority to regulate the pack, size, capacity, weight and dimensions of the containers used by the potato industry.

Marketing research and development projects might be set up. These projects would be designed to improve the marketing, distribution and consumption of potatoes. Marketing order funds may not be used for direct advertising or sales promotion programs.

Regulations set up under the marketing order could be enforced by one or more of four methods. The industry proposed four different methods of enforcement, which could be used separately or in combination, on the recommendation of the Administrative Board. (1) Inspection of all shipments could be required, by the Federal or Federal-State Inspection Service or any other legally designated inspection service; (2) Performance might be checked through handlers' certifications of quality; (3) The Administrative Board could sponsor surveys of compliance; (4) Each package might be required to carry its grade, the handler's name and address, and the State of origin of the potatoes inside.

The proposed national potato marketing order would be financed through assessments on potatoes handled. The Administrative Board would recommend the rate of assessment, which could not be more than a half-cent per hundredweight unless the National Potato Committee recommended that it be higher. Even then, the maximum assessment allowed would be one cent per hundredweight.

When regulations impose undue hardship on individual growers or handlers, exemptions could be considered. The exemptions might allow them to ship as much as the average of growers and shippers in their production area.

The proposed order calls for a grower referendum every three years—and the regulations under the order would have to be suspended if less than two-thirds of the growers voting wanted to continue the program.

What Happens Next

A public hearing has been scheduled. Any marketing order issued must be supported by substantial and reliable evidence in the hearing record. All interested parties are invited to present evidence at this hearing, and testimony will be taken under oath. After the hearing is over, briefs and arguments may be filed in writing with the Hearing Clerk.

A recommended decision will be announced by the Secretary after the period for filing written briefs is past. This will not be a final decision. It will outline the issues developed at the hearing, and the way they were resolved. If the Secretary recommends a marketing order, the recommended decision will contain its terms and provisions, as revised on the basis of the hearing evidence. Interested parties may file exceptions to the recommended decision.

After exceptions are analyzed, the decision of the Secretary of Agriculture will be announced. This decision will contain the findings and conclusions on the final terms of the marketing agreement and order, if the Secretary finds an order should be issued.

Growers must approve any marketing order in a referendum before it can be issued. If the Secretary finds a program should be issued, a referendum will be held. The order must be favored by two-thirds of the growers voting or two-thirds of the production voted before it can be issued.

